Checklist (see Section 5.5) to monitor contractor compliance with executed binding agreements.

Level 2 Monitoring - Grantee or Subrecipient ensures all state, federal and local laws and regulations, program / project requirements, and contractual obligations are met.

Level 3 Monitoring - Can be performed using the Project Checklist. Additionally, if Grantees utilize Subrecipients to execute their programs or projects, the Core Checklist can be utilized to monitor the Subrecipients.

> *Note Regarding the WVDO's Monitoring of Entities without a Contractual Relationship with the WVDO (and associated Projects): For the purpose of this Monitoring Plan, if a Grantee or Subrecipient has entered into agreements with other entities to execute projects the WVDO considers this a Subrecipient relationship between the Grantee/Subrecipient and the said entity. Therefore, the primary monitoring responsibilities of ensuring that the Subrecipient is implementing the program/project according to the applicable regulations rest with the Grantee/Subrecipient. The WVDO serves in an oversight monitoring role when this type of relationship exists.*

The Subrecipient Management Section of the Core Checklist should be used to provide this oversight monitoring and determine if the Grantee/Subrecipient is sufficiently managing its Subrecipients (and its Subrecipients' implementation of its allocated projects). If, after completing the review, it is determined that the Grantee is not sufficiently managing its Subrecipient, the WVDO may (with coordination with the Grantee/Subrecipient), complete a project review for a sample of the Subrecipient's projects. The actual program deliverables/activities (i.e., services provided by the Subrecipients) should not be reviewed by the WVDO unless issues are found during the review.

4.1 MONITORING ROLES AND RESPONSIBILITIES

The Compliance Manager will assign a Compliance Analyst as team lead to coordinate the monitoring efforts for each review. The Compliance Manager will assign a Financial Analyst to each review.

The following roles were established to execute the WVDO's Long-Term Monitoring Plan:

1. Compliance Manager
   a. Oversees all monitoring efforts
   b. Reports Status of Monitoring Reviews

      c. Assists the Process Lead with the development of the monitoring schedule
2. Process Lead
      a. Tracks Monitoring Efforts
      b. Follows up on overdue review milestones
      c. Assigns Compliance Analysts
      d. Provides oversight for all Compliance Analysts tasks
      e. Coordinates the completion of risk assessments
      f. Initiates the Project sample selection process; Approves the Project sample
      g. Coordinates the development of the monitoring schedule; Manages ongoing monitoring needs (i.e., how to handle "emergency" visits)
      h. Reviews and approves Notification Letter
      i. Approves Core and Project Checklists in coordination with Financial Lead
      j. Reviews and approves Monitoring Letter in coordination with Financial Lead
      k. Coordinates with Financial Lead on any required edits prior to submitting Monitoring Letter to Compliance Manager for final approval
3. Compliance Analyst
      a. Tracks assigned monitoring reviews
      b. Provides technical assistance throughout the monitoring process
      c. Coordinates prep for onsite reviews
      d. Facilitates the Entrance Conference and Exit Conference for Onsite reviews
      e. Executes and documents the results of the Core and Project Checklists
      f. Drafts all Letters
      g. Oversees the Corrective Action Resolution Process
4. State Program Manager
      a. Selects the Project sample
      b. Provides input into monitoring schedule
      c. Reviews Monitoring Report Form (provides input on identified concerns and findings)
5. Program Analyst
      a. Participates in activities to prepare for onsite visit
      b. Provides technical assistance to the monitored entity to resolve a specific monitoring deficiency
      c. Executes the Desk Review Checklist
6. Executive Director/Chief of Staff
      a. Reviews Monitoring Letter prior to final approval when findings and/or concerns have been identified that require an executive-level decision
7. Director of Programs
      a. Reviews and Signs Notification Letter
      b. Reviews and Signs Monitoring Letter
      c. Reviews and Signs No Response Letter
      d. Reviews and Signs Corrective Action Letter

e. Reviews and Approves final resolution of Corrective Actions; Signs Corrective Actions Letter
8. Subject Matter Expert (SME)
   a. Provides support to the Compliance and Program Analysts
   b. Provides functional guidance in the areas of Procurement/Contracting, Financial Management, Labor, Environmental and Monitoring

5. MONITORING TOOLS

The WVDO Long-Term Monitoring Tools are comprised of five Checklists: the Core Desk Review Checklist, Project Desk Review, Core Checklist, Project Checklist, and Contractor Monitoring Checklist. The activities associated with a Grantee, Subrecipient, Project, or Program determines which sections of these Checklists are used for each review. These Checklists are described in Sections 5.1 - 5.5.

5.1 CORE AND PROJECT DESK REVIEW CHECKLISTS

The Desk Review Checklists should be used during all Level 2 Compliance Monitoring reviews. The goal of the desk review is to collect documents required for the onsite core and project compliance monitoring review and identify any technical assistance needs. Upon completing the Core Desk Review Checklist

for the Grantee/Subrecipient and a Project Checklist for each project to be reviewed, the Program Analyst will save the documents collected in the respective Grantee's folder within the WVDO's grant management system so that the Compliance can access for completion of the Core and Project Checklists.

If, during the desk review, the Program Analyst determines that additional documents would be beneficial in prepping for the onsite review or will be required while onsite, they may request the documents prior to the onsite review. The onsite Compliance Monitoring visit should not be delayed if a document is not obtained in advance of the onsite visit, as the Compliance Monitor will request and review any additional required documents while onsite.

5.2 CORE CHECKLIST

The Core Checklist should be used during all Level 2 Compliance Monitoring reviews. Grantees may also use this Checklist to monitor its Subrecipients. This Checklist is included as of this document.

The primary functions of the Core Checklist are to determine if policies and procedures meet minimum requirements and to verify the adequacy of the financial management system, civil rights compliance, and the Subrecipient management system, as applicable. The Core Checklist is intended to be completed for the initial desk review and as an onsite checklist during scheduled onsite visit. The Core Checklist includes a review of the following areas:

1. Financial management policies and procedures;
2. Procurement policies and procedures;
3. Contracting policies and procedures;
4. Monitoring policies and procedures;
5. Financial management system validation:
6. Civil Rights; and,
7. Subrecipient Management, as applicable.

The Compliance Analyst should use the Policies and Procedures sections of the Core Checklist to identify technical assistance needs as early in the program/project implementation as possible.

5.3 PROJECT CHECKLIST

The Compliance Analyst should use the Project Checklist, included as, to review a sample of the Grantee's Projects. The Project Checklist is used as both a desk and onsite review. The Project Checklist is comprised of questions related to each of the following compliance areas:

1. Citizen Participation
2. Financial Management
3. Procurement
4. Contracting
5. Labor
6. Civil Rights
7. Environmental Review
8. Acquisition and Relocation
9. Property Management
10. Monitoring
11. Lead-Based Paint, Asbestos, and Mold
12. National Objective and Eligible Activities

Project Worksheets should be used by the Compliance Analyst to draw conclusions regarding procurement, contracting, labor, and Section 3 compliance for each project. The worksheets include questions pertaining to the specific contractors/vendors procured to implement the program/project. Since the activities associated with a project and with a contract vary, all sections of the Project Checklist may not be applicable for each project and associated

contract/contractor. The results of each Project Checklist should be reviewed to determine if technical assistance is required.

5.3.1 SELECTING A SAMPLE TO EXECUTE THE PROJECT CHECKLIST

Contractor Sample

For each project within the Project Sample, the Compliance Analyst is required to select a sample of contractors/ vendors in order to execute the Project Worksheets. The full population of contractors/vendors used to implement the project should be listed in Section 3 of the Project Desk Review Checklist (this includes any consultants, non-profits, Subrecipients, etc.). If the Grantee has not engaged any contractors or vendors to execute the project (i.e., they are performing the work " in-house"), the responses to the applicable Project Worksheet questions should be based on the 'in-house" activities (i.e., invoicing and labor review of the public works department implementing the CDBG-funded project).Using the Project Worksheets, the Compliance Analyst will use the procurement documentation, contracts, draw requests, and other documentation associated with the project and contractors to test the Grantee 's administrative systems.

1. Number of Contractors/Vendors to Review
    a. If five or fewer contractors/vendors have been used to implement the projects, two contractors/vendors should be reviewed, if applicable.
    b. If six or more contractors/vendors have been used to implement the project. Three contractors/vendors should be reviewed, as applicable.
2. If issues are found within the selected sample, broaden the sample to include additional contractors.
3. The number of contractors selected for review may be increased based on the Grantee risk level. The reasoning for selecting the contractors within the sample should be documented. The contractors selected should be notated on the Project Desk Review Checklist.

If a project undergoes more than one review, each review cycle should include different contractors, as applicable. The Compliance Analyst always has the option of expanding the sample size to include additional contractors for initial testing or retesting.

Selecting Draw Request Sample and Invoices to Review

Section 7 of Project Checklist requires the Compliance Analyst to select a sample of draw requests for the Project being reviewed. For each draw request, the analyst will also select a

sample of invoices to determine if costs are allowable and support documentation is sufficient. There are minimum sample sizes for attribute testing. The Compliance Analyst should use Table 3 below to determine the appropriate sample size for monitoring program-processing activities (e.g., draw request submittal, closings, applicant file reviews, etc.). Draw Requests included in the sample should be those submitted at least one month prior to the Grantee receiving the Notification Letter.

Table 3 Sampling for Transaction-Based Activities

Population	>200	100-199	50-99	20-49	Less than 20
Minimum Sample Size	65	20	10	5	3

Example: Ten draw requests have been submitted; select three to include in the sample.

	Draw Request A	Draw Request B	Draw Request C
# Invoices within Draw Request	25	20	50
# Invoices Selected for Review	5	3	10

Sampling Tools

Sample selection can be performed with the assistance of off-the-shelf software (e.g. random number generators, MS Excel function- RAND (random number generator)). A sampling tool may be used to randomly select a sample from a population.

Additional projects may be added to this selection using a Non-Random Selection Method by:

1. Examining more projects from a specific category;
2. Selecting additional projects to include one from each Grantee staff person responsible for project oversight;
3. Including additional projects with the same characteristics, if indicated by the severity or nature of any problems(s) noted during previous reviews (for example, same problem category, same county staff person, same activities or other characteristics);
4. Including projects with expanded scope or funding, activities considered high risk and/or unresolved past findings or concerns.

5.4 SUBRECIPIENT SUPPLEMENTAL WORKSHEETS

If a project is selected that is administered by a Grantee's Subrecipient, the Compliance Analyst will execute the Subrecipient Supplemental Worksheets to validate the

subrecipient management practices of the Grantee as a part of the Core Review. This worksheet will only be used if a project within the selected sample is administered by a Grantee's Subrecipient.

The Subrecipient Supplemental Worksheets include a review of the Grantee's monitoring files to ensure compliance in the following areas:

1. Monitoring
2. National Objective and Eligibility
3. Contract Management and Procurement
4. Recordkeeping
5. Financial Management
6. Property Management
7. Labor
8. Civil Rights

5.5 CONTRACTOR MONITORING CHECKLIST

Compliance Analysts serve as the primary monitors (Level 2), unless otherwise defined in the contract. When State personnel are embedded within specific operational areas managed by the contractor, day-to-day and continuous monitoring may occur that is not included within this monitoring strategy. See Section 6.3.

When considering contractors, the same federal, state, local and CDBG administrative and monitoring requirements that apply to Subrecipients may not apply to a contracted entity. Therefore, the checklist used to monitor Subrecipients and state-administered projects may not be suitable to fulfill the WVDO's contractor monitoring responsibilities. With that in mind, a Contractor Monitoring Checklist was developed to help the WVDO fulfill its responsibility for monitoring contractors, whether the contractors function as grant administrators or serve the state in other capacities.

The Contractor Monitoring Checklist must be tailored based on the contract executed between the WVDO and the contractor. This would include updating the checklist to include all requirements and deliverables associated with the contract scope of work and to include any relevant areas of concern.

The Contractor Monitoring Checklist includes a review of the following areas:

1. Contractual requirements
    a. Administrative requirements
    b. Scope of Work

      c. Deliverables
2. Areas of Concern (as identified by the monitor)
3. Labor
4. Civil Rights
5. Environmental
6. Financial Management
7. Property Management
8. Other Legal/Regulatory Requirements

Selecting a Documentation Sample to Review

The Contractor Monitoring Checklist instructs the Compliance Analyst to pull samples of specific documentation to draw conclusions about an activity, process, or function. Populations will be obtained through coordination with the entity being monitored and may consist of listings of projects, case files, program activities/transactions or financial information in an electronic or hardcopy form. The actual sample items may consist of hardcopy records that are pulled for testing while on site, specific records and information as requested, and/or data or reports that are provided by the monitored entity as part of ongoing reporting or other production requirements.

According to Appendix A of HUD Handbook 2000.04 REV-2 CHG-7, there are minimum sample sizes for attribute testing. The Compliance Analyst should use Table 4 to determine the appropriate sample size for monitoring program-processing activities (e.g., closings, applicant file reviews, etc.).

Table 4 Sampling for Transaction-Based Activities

Population	>200	100-199	50-99	20-49	Less than 20
Minimum Sample Size	65	20	10	5	3

Sample selection can be performed with the assistance of off-the-shelf software (e. g., random number generators, MS Excel function - RAND (random number generator)). A sampling tool may also be used to randomly select a sample from a population.

6. MONITORING RELATIONSHIP AND USE OF MONITORING TOOLS

The relationships between each of the roles described above and the use of the monitoring tools described depends upon how the program is implemented. The WVDO may distribute CDBG funds to Beneficiaries through programs administered by a:

1. Local Grantee (county or municipality);
2. Subrecipient (State Agency, non-profit, etc.);
3. State contractor;
4. WVDO directly ; or,
5. WVDO with the assistance of contractors.

Depending on the administration method and the project/program requirements, all sections of each of the checklists may not be used during the monitoring review. The following sections describe the monitoring relationships and tools by administration method.

6.1 PROJECT/PROGRAM ADMINISTERED BY A LOCAL GRANTEE/SUBRECIPIENT TO THE STATE.

The following table provides guidance when the WVDO is monitoring an entity for which they have a direct contract/agreement with.

Tool	Executed By	Additional Guidance
Desk Review Checklist	Program Analyst	Execute the Desk Review Checklist, Core Review for the policies and procedures.
Core Checklist	Compliance Analyst	Execute the policies and procedures sections of the Checklist, and the remaining sections/questions of the Checklists, utilizing the results of the Project Checklists, as applicable.
Desk Review Checklist	Program Analyst	Execute the Desk Review Checklist, Project Review for each Project within the sample.
Project Checklist	Compliance Analyst	Execute the Checklist for each Project within the sample (see Section 3 .2 .1).
Project Worksheets	Compliance Analyst	Execute for a sample of the contractors and/or Subrecipients. For Subrecipients, only execute Worksheets I and 3.
Subrecipient Supplemental Worksheets	Compliance Analyst	Execute the worksheets if the Grantee has engaged a Subrecipient to administer the project.

6.2 PROGRAM/PROJECT ADMINISTERED BY WVDO

Tool	Executed By	Additional Guidance

Core Checklist	Compliance Analyst	Answer the Policy and Procedures questions based on the State Program Manager's administration of the Program, utilizing the results of the Project Checklists, as applicable.
Project Checklist	SPM/Compliance Analyst	Answer the questions based on the Program/Project implemented by each recipient.
Project Worksheets	SPM/Compliance Analyst	Execute for a sample of the contractors and/or Subrecipients listed in Section 3.

If a Program or Project is administered directly by the WVDO, the monitoring tools should be used as illustrated in the following table. This includes those Programs where the WVDO has engaged consultant/contractors to provide support services for the administration of the Project/Program. The consultants/contractors providing support services can be reviewed using the Contractor Monitoring Checklist (see Section 5.45).

6.3 PROGRAM/PROJECT IMPLEMENTED BY A CONTRACTOR TO THE STATE

If the WVDO has engaged a Contractor to implement the Program/ Project, see the Contractor Monitoring Checklist Core Checklist. Project Checklist and associated Project Worksheets are used to monitor the Contractor. If the Contractor is providing support services to the WVDO to implement the Program only the Contractor Monitoring Checklist would be used.

Tool	Executed By	Additional Guidance
Contractor Monitoring Checklist	SPM/Analyst	Incorporate contract Scope of Work requirements and deliverables. Execute all applicable sections of the Checklist.

7. PERFORMANCE MONITORING

Performance monitoring of the Grantee-implemented programs and projects is performed as a parallel process to the compliance monitoring by the Outreach Team and Program Analysts. Because the number and type of projects administered by a single entity can be numerous and complex, it often becomes difficult to plan for each projects implementation. Projects may take years to implement once approved due to lack of planning and oversight. The WVDO may monitor the performance of projects based on the pre-defined milestones and the Grantee-approved target dates for reaching these milestones.

The goals for performance monitoring include:

1. Assisting Grantees in developing project implementation schedules using the Performance Monitoring Template;
2. Enabling Grantees to allocate applicable staff/resources to projects and maintain reasonable timelines for completion of projects;
3. Tracking Grantee progress and providing technical assistance as needed; and,
4. Providing summary reporting of frequently requested information.

By engaging Grantees in the process, the schedules that are established should allow Grantees to allocate applicable staff/resources to projects and maintain reasonable timelines for completion of projects. Project milestones have been identified for each of the following project types:

The milestones associated for each of these projects are included in. These milestones may be used to set a base schedule for a group of projects. The WVDO may work with the Grantee to adjust this schedule based on the activities associated with each individual project. For example, all projects may not require property acquisition, so this milestone can be marked non-applicable. The construction of the concrete pad for the installation of a generator should not take if construction of a bridge, so the construction period for this project type should be adjusted.

Exhibit 1
Sample Grantee Monitoring Plan

Revised March 1, 2017

Contents

1. Monitoring Overview

_____ has established this Monitoring Plan to:

(GRANTEE NAME)

1. Gauge the overall progress and effectiveness of the project implementation.
2. Serve as a management tool to identify issues that may compromise program integrity, funding, and service delivery for corrective action and resolution.
3. Serve as a technical assistance tool whereby the Grantee identifies areas in which to strengthen program capacity and quality of service delivery.

_____ has been identified as the Monitoring Coordinator for _____.

(MONITORING COORDINATOR NAME)   (GRANTEE NAME)

The Monitoring Coordinator is responsible for:
1. Ensuring that a risk assessment is executed for all projects (attach completed Risk Assessment);
2. Setting the Monitoring Schedule that prioritizes reviews based on risk (see Table 1)
3. Ensuring proper documentation and tracking of all monitoring efforts;
4. Notifying the WVDO of severe issues;
5. Engaging the WVDO for necessary technical assistance; and,
6. Ensuring Monitoring occurs as outlined within the Plan.

If the Grantee has engaged an administrative consultant and the Grantee's Monitoring Coordinator is the administrative consultant, the Grantee must identify a contract administrator responsible for monitoring the administrative consultant.

List the contract administrator for each   _____
administrative consultant procured: _____
                                                   _____

Project Administration

The Grantee is administering all projects without an administrative consultant or Subrecipient. ☐ Yes ☐ No

If yes, identify the Grantee staff responsible   _____
for project administration: _____
                                         _____
                                         _____

The Grantee is utilizing an administrative consultant to administer projects. ☐ Yes ☐ No

If yes, list the Administrative Consultant: _____
Projects administered by the consultant: _____
     (List Project IDs)   _____
                                           _____

The Grantee is utilizing a Subrecipient to administer projects. ☐ Yes ☐ No

If yes, list the Subrecipient: _____
Projects administered by the Subrecipient: _____
     (List Project IDs)   _____
                                           _____

2. Monitoring Checklist

Grantees who choose not to use the Checklists from the WVDO Monitoring Plan and Procedures to perform their monitoring should describe the Monitoring Tools they are using in this section. Otherwise, the references to the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures described below are sufficient.
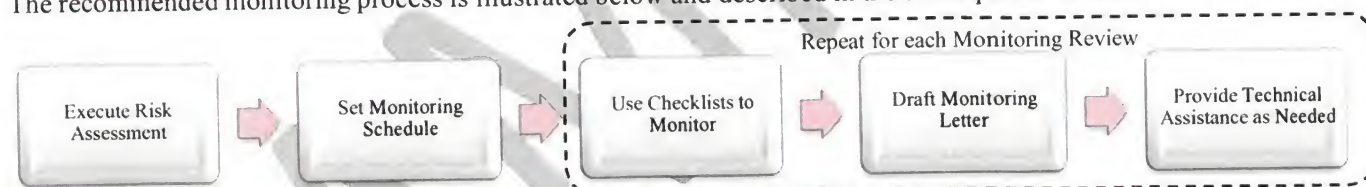
The Core Checklist (Exhibit 12-3 of the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures) will be used to monitor Subrecipients.

The Project Checklist (Exhibit 12-4 of the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures) will be used to review Grantee Projects.

The Contract Administration Checklist (Exhibit 12-5 of the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures) will be used to monitor any Administrative Consultants.

3. Types of Monitoring

At least one onsite review should be conducted of all projects prior to closeout. This review should occur early enough in the project life cycle to allow time for technical assistance and/or the resolution of any corrective actions that may be identified. A desk review should be performed for each administrative consultant and/or Subrecipient soon after the binding agreement has been executed to verify initial performance and identify any technical assistance needs. Additional reviews may be performed to monitor consultants, Subrecipients, and/or projects as necessary.

4. Monitoring Process

The recommended monitoring process is illustrated below and described in the subsequent sections.

Repeat for each Monitoring Review

Execute Risk Assessment → Set Monitoring Schedule → Use Checklists to Monitor → Draft Monitoring Letter → Provide Technical Assistance as Needed

4.1 Risk Assessment and Monitoring Schedule

Where there are more than one Subrecipient, program, or project, risk assessment results are used to determine the priority of monitoring reviews. In cases where a risk assessment is not performed, the basis for determining monitoring prioritization will be documented. The risk assessments included as Exhibits 12-2 and 12-3 to the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures should be executed and made a part of the Monitoring Plan.

After the initial review, additional program/project monitoring (onsite or desk) should be conducted for all active programs/projects through closeout.
1. Programs/projects requiring follow-up activities and/or corrective actions should take precedence over those not requiring such actions.
2. The program/project risk should also be taken into account when scheduling additional reviews.

See Table 1 for the monitoring schedule. Update Table 1 after the risk assessment is completed.

Table 1 Monitoring Schedule

	Review #	Entity/ Project to Monitor	RA Results	Monitoring Review Date	Desk or Onsite?	Monitor	Comments
Initial Review	1	Subrecipient	N/A	10/1/11	Desk		
	2	Consultant	N/A	11/1/11	Desk		Ongoing Monitoring Process
	3	Project D	High	12/1/11	Onsite		
	4	Project A	High	2/1/12	Onsite		
	5	Project E	Low	4/1/12	Onsite		
	6	Project B	Medium	6/1/12	Onsite		
Additional Review of Active Projects Until Closeout	7	Project C	Low	8/1/12	Onsite		
	8	Project D	High	10/1/12	Desk		
	9	Project A	High	12/1/12	Desk		
	10	Project B	Medium	1/15/13	Desk		
	12	Project C	Low	4/15/13	Desk		

Schedule Guidelines/Tips:

1. At least one onsite review should be conducted of all projects prior to closeout. This review should occur early enough in the project life cycle to allow time for technical assistance and/or the resolution of any corrective actions that may be identified.
   a. Projects requiring follow-up activities and/or corrective actions should take precedence over those not requiring such actions.
   b. The project risk should also be taken into account when scheduling additional reviews.
2. If a Subrecipient has been engaged to administer the project, the Grantee should monitor the Subrecipient soon after the binding agreement has been executed to verify initial performance and identify any technical assistance needs. Follow-up reviews should be performed as necessary.
3. If an administrative consultant has been engaged to administer the project, the Grantee should begin monitoring the administrative consultant (using the Contract Administration Form) soon after the binding agreement has been executed to verify initial performance and identify any technical assistance needs. Follow-up reviews should be performed as necessary.

4.2   Execute Checklist

As described within the Monitoring Schedule Table 1, the review will be completed by executing the appropriate checklist. Checklist responses will include comments that detail any issues identified. The executed Checklist will be maintained within the Project file.

4.3   Monitoring Letter

Upon completion of the review, the Monitor will draft a Monitoring Report that identifies the checklist sections used to complete the monitoring review, the results of the review (areas of merit and/or issues identified, if any), and the basis for the conclusions. The Monitoring Report will be maintained within the appropriate file. If a Subrecipient is monitored, the Monitoring Report should be provided to the Subrecipient. A Monitoring Report Template is included as Exhibit 12-6 of the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures.

4.4 Technical Assistance

When concerns are identified as a result of the monitoring review, technical assistance may be required to assist in the resolution of the issue. The objective of technical assistance is to ensure compliance with Federal, State, and local regulations and program requirements. The nature and extent of technical assistance should be determined at the discretion of the Monitor, Monitoring Coordinator, Grantee, and/or WVDO. Some examples of technical assistance may include:

    a. Verbal or written advice;
    b. Formal training; and/or,
    c. Documentation and guidance.

Evidence of technical assistance should be maintained within the Project file.

The Monitoring Coordinator should contact the WVDO if guidance is required in providing technical assistance to contractors or Subrecipients.

4.5 Follow-up

In the event that issues are identified for corrective action, follow-up actions should be scheduled to address the progress of the resolution. The timing and frequency of the follow-up communication should be determined at the discretion of the Monitor and Monitoring Coordinator and should be based on the severity of the deficiency. All follow-up actions should be documented.

West Virginia Development Office

EXHIBIT 2

Project/Program Risk Assessment Template

Project/Program Risk Assessment Template

This risk assessment should be used to determine to risk of a set of projects or programs. The risk established should be used to priortize and/or determine the frequency of monitoring reviews. Review the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures prior to executing this risk assessment.

Criterion	Total DR-CDBG Allocation		Complexity		Implementation		Relevant Experience	
Description	Total DR-CDBG provided to execute the project/program		Activities associated with the project/program		Entity who is implementing the project/program		Experience implementing a similar project/program	
High Risk	$250,000 +	5	Involves Construction	5	Subrecipient	12	No Experience	8
Medium Risk	$150,000 - $249,999	3	Loan or Grant Project	3	Grantee Staff	8	Some Experience	5
Low Risk	Less than $149,999	1	Other type of Project	1	Consultant	4	Significant Experience	3

1. Project/ Program Name	2. Project ID	3. Total DR-CDBG Allocation	4. Complexity	5. Implementation	6. Relevant Experience	7. Total Score	8. Risk Level

Instructions to execute the Project/ Program Risk Assessment Template

Column 1   Enter the project/program name or description

Column 2   Enter the project/program name, if applicable

Column 3   Review the project/program application to determine how much DR-CDBG funds were allocated to the project/program. Select the choice from the dropdown menu that best fits your response.

Column 4   Review the project/program application to determine the activities associated with the project/program. Select the choice from the dropdown menu that best fits your response.

Column 5   Review the project/program application to determine what type of entity is implementing the project/prgoram. Select the choice from the dropdown menu that best fits your response.

Column 6   Determine the prior experience of the entity implementing the project/program. If the implementing entity was selected through a competitive process, you may want to review the Proposal submitted by the entity. If the project/program is implemented by grantee staff or a subrecipient, review past projects/programs to determine experience. Select the choice from the dropdown menu that best fits your response.

Column 7   This column will automatically calculate based on the responses selected in columns 3-6

Column 8   This column will automatically populate based on the responses selected in column 7

You may add addditonal rows to the Risk Assessment Template by right clicking a row and selecting "Insert"

West Virginia Development Office

EXHIBIT 3

Compliance Monitoring Core Checklist Template

Revised March 1, 2017

Subrecipient :		Monitor:	Date Completed:

1.1 Monitoring Preparation

Requirements	Response	Comments
Description: Execute this Section to confirm that all pre-monitoring activities have been completed.		
1. Did you review all grant requirements, action plans, amendments and waivers?	☐Yes ☐ No	
2. Did you review contract terms, payment terms, and budget?	☐Yes ☐ No	
3. Did you review monitoring requirements as contained in the Binding Agreement?	☐Yes ☐ No	
4. Did you coordinate with appropriate reporting staff and any other required department to ensure all data/information has been captured in current reporting?	☐Yes ☐ No	
5. Did you review prior year audits, monitoring efforts and results, and documentation supporting completed or ongoing corrective actions?	☐Yes ☐ No ☐ N/A	
6. Did you review relevant documentation and reporting to determine current program progress, status, performance, and compliance for monitoring planning purposes?	☐Yes ☐ No	
7. Did you schedule meetings with relevant Grantee/ Recipient/Subrecipient staff to discuss program, current performance, issues and contract terms?	☐Yes ☐ No	
8. Did you set up program monitoring files and collect all relevant documents (see Section 1.3)?	☐Yes ☐ No	
9. Did you draft and send a monitoring notification letter to the Subrecipient and request relevant documents to review?	☐Yes ☐ No	

Subrecipient :   **Monitor:**   **Date Completed:**

1.2 Entrance Conference		
Requirements	**Response**	**Comments**
Description: An Entrance Conference should be conducted to "kick off" the monitoring visit. This is especially important for onsite reviews. Use this Section to document these pre-monitoring activities.		
1. Was an Entrance Conference Conducted? List the date, time, and location.	☐ Yes ☐ No	
2. Was a log taken of all attendees? List the names and titles of all persons in attendance (or attach a copy of the sign-in log).	☐ Yes ☐ No	
3. Were designated points of contact identified to assist with the monitoring engagement? List the name, title, assigned area, and contact information for the designated personnel.	☐ Yes ☐ No	
4. Was an agenda drafted and were meeting notes taken to document the topics discussed during the Entrance Conference? List the topics discussed (or attach a copy of the meeting notes).	☐ Yes ☐ No	

Subrecipient :   **Monitor:**   **Date Completed:**

1.3 Documentation Collection

Document	For Use in Section	Date Received (or N/A)	Comments
Description: This Section provides a list of documents required to answer the questions within this Checklist. Execute this Section prior to beginning the review.			
1. Procurement Policies and Procedures	2.1		
2. Contracting Policies and Procedures	2.2		
3. Financial Management Policies and Procedures	2.3		
4. Monitoring Policies and Procedures	2.4		
5. Record Keeping Policies and Procedures (onsite only)	2.5		
6. Most Recent Draw Request/Request for Payment and supporting documentation	3.4		
7. Appropriate Audit/Financial Report			
7.1. A Single Audit if the Subrecipient has $750,000 or more in federal funds within a fiscal year	3.3		
7.2. Annual sworn financial statement if revenue received was $50,000 or less	3.3		
7.3. Annual compilation if revenue received was more than $50,000 but less than $200,000	3.3		
7.4. An annual review along with the required agreed upon procedure report if revenue received was $200,000 or more but less than $750,000	3.3		
8. Federally Approved Indirect Cost Plan, if applicable	3.4		
9. 504 Self Evaluation	4.1		
10. Section 504 Assurance	4.1		
11. Evidence of the administration of a Fair Housing Activity	4.2		
12. Title VI Record Documentation	4.3		

Subrecipient :		Monitor:		Date Completed:

2. Policies and Procedures Review

Requirements	Response	Issue Type	Comments
2.1 Procurement Policies and Procedures			

Description: Execute this Section to determine if the Subrecipient is in compliance with applicable regulations.

Regulations: 24 CFR 84.44, 24 CFR 85.36, and 24 CFR 570.502, 2 CFR 200.317-326

Requirements	Response	Issue Type	Comments
1. Does the Subrecipient have procurement policies and procedures in place? [24 CFR 85.36; 24 CFR 84.44; 2 CFR 200.318] *If no, the remaining questions within this Section are not applicable. Technical Assistance should be provided.*	☐Yes ☐No	☐N/A ☐Finding ☐Concern	
2. Have the Subrecipient's procurement policies and procedures been reviewed during a previous monitoring review?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	
2.1. Have any issues been discovered based on prior reviews of the Subrecipient's procurement policies and procedures or have any revisions been made since the previous review? *If No, mark the remaining questions in this Section as "N/A".*	☐Yes ☐No ☐N/A	☐N/A ☐Finding ☐Concern	
3. Are the policies and procedures documented?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	
4. Does the Subrecipient have a process in place for communicating policies and procedures (including updates) to staff?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	
Procurement Policies and Procedures Requirements			

Subrecipient :   **Monitor:**   **Date Completed:**

2. Policies and Procedures Review			
Requirements	**Response**	**Issue Type**	**Comments**
5. <u>Requirements</u> - Do the Procurement policies and procedures include a Code of Conduct? 24 CFR 85.36, 24 CFR 84.42 and 2 CFR 200.318 requires the Code of Conduct to contain these minimum requirements: • No employee, officer or agent of the Grantee/ Recipient/ Subrecipient or sub Grantee/ Recipient/ Subrecipient shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest would be involved • Officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements • Penalties, sanctions, or other disciplinary actions for violations are included • The Code of Conduct is consistent with the West Virginia Code of Ethics.	☐ Yes ☐ No	☐N/A ☐Finding ☐Concern	

2.	**Policies and Procedures Review**			
	Requirements	**Response**	**Issue Type**	**Comments**

6.	Requirements - Do the Procurement policies and procedures include guidance on using the appropriate solicitation methods, contract types and contract price?
	
	For Grantees/ Recipients, 24 CFR 85.36(b)(9) and 2 CFR 200.318 and 323 requires:
	
	• Only one of the solicitation methods (Small Purchase, Sealed Bid/formal advertising, Competitive Proposals, Noncompetitive Proposals) are employed for each procurement
	• The requirements for the applicable solicitation method are followed
	• Only the appropriate contract types (Purchase Order, Fixed Price, Cost Reimbursement) are employed for each procurement
	• A "cost plus a percentage of cost" or a "percentage of construction cost" type pricing is not used for contracts
	• A "time and material" type contract is only used after a determination is made that no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk
	• Contract is price appropriately, as determined by contract services (Lump sum pricing, unit pricing, or reimbursement of costs)
	• Recipients avoid purchasing unnecessary items.
	• Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.
	• Solicitations for goods and services provide for the following:
	  • A clear and accurate description of the technical requirements for the material, product or service to be procured
	  • Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
		☐ Yes
		☐ No
			☐N/A
			☐Finding
			☐Concern	

7.	Requirements - Do the Procurement policies and procedures include a requirement that staff review proposed procurements for Cost reasonableness? 24 CFR 85.36; 24 CFR 84.45, 84.84 and 2 CFR 200.323 requires that cost reasonableness is reviewed: • To avoid unnecessary purchases; • To avoid duplicative purchases, and; • Ensure costs are reasonable.	☐ Yes ☐ No	☐N/A ☐Finding ☐Concern	

Subrecipient :	Monitor:		Date Completed:	

2.	**Policies and Procedures Review**			
Requirements		**Response**	**Issue Type**	**Comments**
8.	Requirements - Do the Procurement policies and procedures include a requirement that staff review proposed procurements to ensure contractors are eligible? 24 CFR 85.35; 24 CFR 84.13 and 2 CFR 180 requires that awards are not made to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension".	☐ Yes ☐ No	☐N/A ☐Finding ☐Concern	
9.	Requirements - Do the Procurement policies and procedures include a requirement that affirmative efforts be undertaken to hire women's business enterprises, minority firms and labor surplus firms? [24 CFR 85.36(e); 24 CFR 84.44(b), 24 CFR 84.84(e)(2), 2 CFR 321]	☐ Yes ☐ No	☐N/A ☐Finding ☐Concern	
10.	Requirements - Do the Procurement policies and procedures include a requirement that all disputes relating to procurement actions be handled, resolved, and disclosed? [24 CFR 85.36(b)(12); 24 CFR 84.84; 2 CFR 200.318(k)]	☐ Yes ☐ No	☐N/A ☐Finding ☐Concern	
11.	Requirements - Do the Procurement policies and procedures include a requirement that all procurements be conducted using "open and free competition," unless an exception applies? [24 CFR 85.36(c); 24 CFR 84.84(d), 2 CFR 200.319]	☐ Yes ☐ No	☐N/A ☐Finding ☐Concern	
12.	Requirements - Do the Procurement policies and procedures include a requirement to eliminate unfair competitive advantages in procurements? [24 CFR 85.36(c);24 CFR 84.84(d); 24 CFR 84.43; 2 CFR 200.319]	☐ Yes ☐ No	☐N/A ☐Finding ☐Concern	

Subrecipient :		Monitor:		Date Completed:

2. **Policies and Procedures Review**				
Requirements		**Response**	**Issue Type**	**Comments**
2.2 Contract Administration Policies and Procedures				

Description: Use this Section to determine if the Subrecipient has developed a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. This section provides best practices that may be utilized in an adequate contract administration system.

Regulation: 24 CFR 85.36(b)(2), 24 CFR 84.47, 24 CFR 84.84(h), 2 CFR 200.318

Requirements	Response	Issue Type	Comments
1. Does the Subrecipient have contract administration policies and procedures in place? *If no, the remaining questions within this Section are not applicable. Technical Assistance should be provided.*	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
2. Has the Grantee/ Recipient/ Subrecipient's contract administration policies and procedures been reviewed during a previous monitoring review?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
2.1. Have any issues been discovered based on prior reviews of the contract administration policies and procedures or have any revisions been made since the previous review? *If No, mark the remaining questions in this Section as "N/A".*	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
3. Are the policies and procedures documented?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
4. Does the Subrecipient have a process in place for communicating policies and procedures (including updates) to staff?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
5. Are the Subrecipient's contract administration policies and procedures adequate? Contract Administration best practices include: • Utilizing Contract Templates for developing contract; • Identifying a contract administrator for each contract executed; • Implementing a process to ensure contractor abides by the terms of the contract procedures; • Implementing a deliverable review/approval process; and, • Implementing a process for managing issues that may arise with the contractor.	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	

2. Policies and Procedures Review

Requirements	Response	Issue Type	Comments
Only Grantees implementing projects utilizing funding from the HUD allocation containing applicable requirements as set forth below are required to meet these guidelines.			
6. Does the Subrecipient maintain a record of achieving certification of a comprehensive green building program or completion of the HUD CPD Green Building Retrofit Checklist, as appropriate?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	
6.1 If yes, proceed to question 2.			
6.2 If no, is the Subrecipient exempt from meeting the green building standard?	☐Yes ☐No	☐N/A ☐Finding Concern	
7. Did the Subrecipient require procured contracts to contain (1) performance measures and associated penalties and (2) a period of performance or the date of completion?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	

2.3 Financial Management Policies and Procedures

Description: Use this Section to determine if the Grantee Recipient/Subrecipient's financial management policies and procedures meet the requisite standards. **Regulations:** 24 CFR 84.21, 24 CFR 85.20, 24 CFR 570.502, 2 CFR 200.302

Requirements	Response	Issue Type	Comments
1. Does the Subrecipient have financial management policies and procedures in place? *If no, the remaining questions within this Section are not applicable. Technical Assistance should be provided.*	Yes No	N/A Finding Concern	
2. Have the Subrecipient's financial management policies and procedures been reviewed during a previous monitoring review?	Yes No	N/A Finding Concern	

Subrecipient :   **Monitor:**   **Date Completed:**

2.	**Policies and Procedures Review**			
	Requirements	**Response**	**Issue Type**	**Comments**
	2.1. Have any issues been discovered based on prior reviews of the Subrecipient's financial management policies and procedures or have any revisions been made since the previous review? *If no, mark "N/A" for the remaining questions in this Section.*	☐Yes ☐ No ☐N/A	☐N/A ☐Finding ☐Concern	
3.	Are the policies and procedures documented?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
4.	Does the Subrecipient have a process in place for communicating policies and procedures (including updates) to staff?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
Financial Management Policy and Procedures Requirements				
5.	Internal Controls Requirements - Do the financial management policies and procedures require defined staff qualifications and duties, lines of authority, and separation of functions? [24CFR85.20(b)(3) and 84.21(a)(3), 2 CFR 200.303]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
6.	Internal Controls Requirements - Do the financial management policies and procedures require control over secure access to assets, blank forms, and confidential documents? [24CFR85.20(b)(3) and 84.21(b)(3), 2 CFR 200.303]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
7.	Internal Controls Requirements - Do the financial management policies and procedures include a process for approving and recording transactions? [24CFR85.20(b)(3) and 84.21(b)(3), 2 CFR 200.303]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
8.	Internal Controls Requirements - Do the financial management policies and procedures include a process to periodically compare financial records to actual assets and liabilities? [24CFR85.20(b)(4) and 84.21(b)(4), 2 CFR 200.303]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	

Subrecipient :		Monitor:		Date Completed:	

2. Policies and Procedures Review

Requirements	Response	Issue Type	Comments
9. <u>Support Documentation Requirement</u> - Do the financial management policies and procedures require that documentation (receipts, invoices, canceled checks, etc.) is available to support accounting record entries? [24CFR85.20(b)(6) and 84.21(b)(7), 2 CFR 200.302]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
10. <u>Allowable Cost Requirement</u> - Do the financial management policies and procedures clearly define reasonableness, allowability, and allocability of costs incurred that's consistent with 2 CFR 200.302 [24CFR85.20(b)(5) and 84.21(b)(6)]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
11. <u>Financial Reporting Requirement</u> - Do the financial management policies and procedures require that financial statements and reporting are complete, current, reviewed periodically and provide complete disclosure of the financial results of each Federally-sponsored project or program? [24CFR85.20(b)(1) and 84.21(b)(1), 2 CFR 200.302]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
12. <u>Financial Reporting Requirements</u> - Do the Subrecipient's financial management policies and procedures require that all of the following required HUD CDBG activities are captured within its reports? • Amount budgeted • Advances/reimbursements received to date • Program income & other miscellaneous receipts • Actual expenditures/disbursements • Current encumbrances/obligations • Unpaid requests for payments [24CFR84.52 and 24CFR85.41, 2 CFR 200.302]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
13. <u>Cash Management Requirement</u> - Do the financial management policies and procedures include a process to accurately project the cash needs of the organization? [24CFR85.20(b)(7) and 84.21(b)(5), 2 CFR 200.305]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	

2. Policies and Procedures Review

Requirements	Response	Issue Type	Comments
14. Audits and Audit Findings Requirements- Do the financial management Policies and Procedures require that audits are conducted in a timely manner and in accordance with applicable standards, including a systematic method to assure timely and appropriate resolution of audit findings and recommendations?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	

2.4 Monitoring Policies and Procedures

Description: Use this Section to determine if the Subrecipient's monitoring policies and procedures sufficiently outline the monitoring of each project, program, function or activity to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Regulations: 24 CFR 84.51; 24 CFR 85.40, 2 CFR 200.327 and 328

Requirements	Response	Issue Type	Comments
1. Does the Subrecipient have monitoring policies and procedures in place? *If no, the remaining questions within this Section are not applicable. Technical Assistance should be provided.*	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
2. Have the Subrecipient's monitoring policies and procedures been reviewed during a previous monitoring review?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
2.1. Have any issues been discovered based on prior reviews of the monitoring policies and procedures or have any revisions been made since the previous review? *If yes, continue through this Section. If no, continue to next Section.*	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
3. Are the policies and procedures documented?	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
4. Does the Subrecipient have a process in place for communicating policies and procedures (including updates) to staff?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	

2.	**Policies and Procedures Review**			
	Requirements	**Response**	**Issue Type**	**Comments**
5.	Do the monitoring policies and procedures provide guidance on conducting, documenting, and reporting on monitoring activities and on follow up on areas of non-compliance? Monitoring best practices may include: • Prioritizing based on Risk • Prescribing a Sampling methodology • Monitoring Performance • Implementing a tracking system • Technical Assistance procedures	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
6.	Do the monitoring policies and procedures include monitoring Project/Program performance? Monitoring best practices may include monitoring based on: • Compliance with approved application scope, funding specifications, and other requirements • Program guidelines • Implementation schedule and milestones [24CFR84.51 and 24 CFR 85.40, 2 CFR 200.328]	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	

2.5 Record Keeping Policies and Procedures – ONSITE ONLY

Description: Use this Section to determine if the Subrecipient's Record Keeping Policies and Procedures are sufficient. **Regulations:** 24 CFR 85.40, 24 CFR 84.53, 24 CFR 570.506, and 24 CFR 570.490 and 2 CFR 330. 329, and 333

1.	Does the Subrecipient have Record Keeping policies and procedures in place? *If no, mark "No" for the remaining questions in this Section.*	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
2.	Have the Subrecipient's record keeping policies and procedures been reviewed during a previous monitoring review?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
	2.1. Have issues been discovered based on prior reviews of the record keeping policies and procedures or have any revisions been made since the previous review? *If no, mark "N/A" for the remaining questions in this Section.*	☐Yes ☐ No ☐ N/A	☐N/A ☐Finding ☐Concern	
3.	Are the policies and procedures documented?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
4.	Does the Subrecipient have a process in place for communicating policies and procedures (including updates) to staff?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	

2. Policies and Procedures Review

Requirements	Response	Issue Type	Comments
Recordkeeping Policies and Procedures			
5. Do the recordkeeping policies and procedures describe the information that needs to be collected and why?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
6. Do the recordkeeping policies and procedures describe when the information should be collected and how often?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
7. Do the recordkeeping policies and procedures describe how the information should the acquired, organized (in an orderly manner that provides ease of examination by any applicable parties and stored in a secure, central location)?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
8. Do the recordkeeping policies and procedures describe how the information should be reported?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
9. Do the recordkeeping policies and procedures describe the required retention period for records (minimum of five years)?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
10. Access to Records – Do the record keeping procedures provide access to records and/or personnel by authorized agencies and/or citizens as required?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	

2.6 Duplication of Benefits

Description: Use this Section to determine if the Grantee/Subrecipient has a Duplication of Benefits Policy.

Regulations: Robert T. Stafford Disaster Relief and Emergency Assistance Act

1. Does the Grantee/Subrecipient have an adopted Duplication of Benefits policy?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	

3. Validation of Financial Management System

Requirements	Response	Issue Type	Comments
3.1 Establishing DR CDBG Funds Account			
Description: Use this Section to assure that the applicable process has been followed to establish the Subrecipient's DR CDBG Funds Account.			
1. Has the Subrecipient's disaster recovery CDBG funds account been reviewed during a previous monitoring review?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
1.1. Have any issues been discovered based on prior reviews of the Subrecipient's DR CDBG funds account? *If no, mark "N/A" for the remaining questions in this Section.*	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
2. Has the Subrecipient setup a non-interest bearing account for disaster recovery funds?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
3. Is the Subrecipient using its general bank account?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
3.1. If the Subrecipient is using this account, is this an interest-bearing account? Note: If interest is accrued on Disaster Recovery CDBG funds, the WVDO must collect it from the Subrecipient.	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
4. Is the account used by the Subrecipient FDIC insured?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
4.1. If applicable, is the bank providing collateral to secure all funds in excess of FDIC limits?	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
3.2 Financial Administration			
Description: Review the Subrecipient's Financial Administration System and use this Section to assure that it meets the standards set forth in 24 CFR 84.21, 24 CFR 85.20, and 24 CFR 570.502 and 2 CFR 200.302			
1. Has the Subrecipient's financial administration system been reviewed during a previous monitoring review?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
1.1. Were issues identified in previous reviews? *If yes, continue through this Section. If no, continue to next Section.*	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
2. Has the Subrecipient designated someone to be responsible for financial management?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	

3.	Validation of Financial Management System			
	Requirements	**Response**	**Issue Type**	**Comments**
3.	Does the Subrecipient have an accounting system in place that allows for the tracking of receipts and expenditures and the generation of financial statements?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	
	3.1. Is the Subrecipient accounting for the Disaster Recovery CDBG funds using a modified accrual basis?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	
	3.2. Is the Subrecipient tracking and reporting on each project separately?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	

3.3 Financial Reporting and Audits

Description: Use this Section to assure compliance with audit/reporting requirements.

Regulations: 24 CFR 84.26 and/or 24 CFR 85.26; 2 CFR Part 200.500

1.	Has the Subrecipient conducted a Single Audit, if required? A Single Audit is required if the Subrecipient has expended $750,000 or more in federal funds within a fiscal year. Obtain the nine digit EIN off of the W-9 and use harvester.census.gov/sac to determine if the Single Audit was submitted.	☐Yes ☐No ☐N/A	☐N/A ☐Finding ☐Concern	
2.	If Single Audit is not required, has the Grantee/ Recipient/Subrecipient submitted the other appropriate financial report? • Annual sworn financial statement if revenue received was $50,000 or less • Annual compilation if revenue received was more than $50,000 but less than $200,000 • Annual Review, plus agreed upon procedures if revenue received was $200,000 or more but less than $750,000	☐Yes ☐No ☐N/A	☐N/A ☐Finding ☐Concern	
3.	Were findings disclosed in the financial statements that related to issues with internal control and/or compliance with laws, regulations, and provisions of contracts or grant agreements? *If yes, document management's response to these findings and set time frame to ensure these issues were corrected.*	☐Yes ☐No ☐N/A	☐N/A ☐Finding ☐Concern	

3.4 Expenditure Review

Description: Use this Section to assure that Subrecipient's expenditures are in compliance with applicable requirements by reviewing the most recent Request for Payment and answering the following questions accordingly.

1.	Do the Requests for Payment submitted by the Subrecipient include the appropriate certifications?	☐Yes ☐No	☐N/A ☐Finding ☐Concern	

3.	**Validation of Financial Management System**			
	Requirements	**Response**	**Issue Type**	**Comments**
2.	If there's program income, is the Grantee/ Recipient/Subrecipient disbursing program income prior to making further draw requests?	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
3.	Has the Subrecipient charged any indirect costs?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
	3.1. If yes, did the Subrecipient submit a federally-approved Indirect Cost Plan to WVDO?	☐ Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
4.	Are the Subrecipient's administrative costs at or below the authorized threshold?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	
5.	Internal Controls – Is there evidence that there are appropriate separation of duties in the approving of a Request for Payment and the payment of invoices?	☐ Yes ☐ No	☐ N/A ☐ Finding ☐ Concern	

Subrecipient :		Monitor:		Date Completed:

4. Civil Rights

Requirements	Response	Issue Type	Comments
4.1 Section 504			
Description: Section 504 of the Rehabilitation Act of 1973, as amended, requires that no handicapped individual can be excluded from participation (including employment), denied program benefits, or subjected to discrimination based solely on his or her handicap.			
1. Has the Subrecipient's Section 504 Compliance been previously reviewed?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
1.1. Were issues identified during the previous review? *If yes, continue through this Section. If no, continue to next Section.*	☐Yes ☐ No ☐ N/A	☐N/A ☐Finding ☐Concern	
2. Has the Subrecipient submitted a Section 504 Self Evaluation?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
3. Has the Subrecipient completed the Section 504 Assurance?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
4. Have any complaints been received?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
4.1. If yes, have the complaints been resolved?	☐Yes ☐ No	*N/A*	
4.2 Fair Housing			
Description: Title VIII of the Civil Rights Act of 1968, as amended (referred to as the "Fair Housing Act") prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin. The Subrecipient is required to administer at least one fair housing activity annually.			
1. Is the Subrecipient ensuring that all activities are implemented to affirmatively promote fair housing?	☐Yes ☐ No		
2. Has the Subrecipient administered at least one fair housing activity within the last year? Notate the date and identify the type of activity of the most recent fair housing activity within the Comments field.	☐Yes ☐ No		
3. Have any complaints been received?	☐Yes ☐ No		
3.1. If yes, have the complaints been resolved?	☐Yes ☐ No		

Subrecipient :		Monitor:		Date Completed:	

4. Civil Rights

Requirements	Response	Issue Type	Comments

4.3 Title VI

Description: Title VI of the Civil Rights Act of 1964 states that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of race, color, or national origin.

Requirements	Response	Issue Type	Comments
1. Is the Subrecipient maintaining a record of applicants, direct and indirect beneficiaries by race, color, sex, national origin, age and handicap to ensure compliance with Title VI of the Civil Rights Act of 1964?	☐Yes ☐No	☐Finding ☐Concern	
2. Have any complaints been received?	☐Yes ☐No	☐Finding ☐Concern	
2.1. If yes, have the complaints been resolved?	☐Yes ☐No	☐Finding ☐Concern	

4.4 Section 3

Requirement	Response	Issue	Comments

Description: Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135] is HUD's legislative directive for providing preference to low- and very low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. A "covered project" is a project for which Section 3 applies. "Covered funds" are those funds used to fund a "covered project".

This Section of the Core Checklist is to be used to determine if Section 3 is triggered for the Grantee/ Recipient/ Subrecipient and, if applicable, that the Subrecipient has procedures in place for ensuring compliance. Implementation of the Subrecipient's Section 3 procedures will be reviewed using the project checklist by reviewing RFPs, contracts, contractor Section 3 procedures and other supporting documentation.

Section 3 Residents are:
- Residents of Public and Indian Housing, or
- Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income does not exceed the local HUD income limits set forth for low- or very low-income households.

Section 3 Business Concerns are One of the Following:
- Businesses that are 51 percent or more owned by Section 3 residents;
- Businesses with 30 percent or more permanent, full-time employees whom are currently Section 3 residents, or were Section 3 residents within three years of the date of first employment; or
- Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

Requirement	Response	Issue	Comments
1. Has the Subrecipient allocated $200,000 or more DR-CDBG funds into projects/activities involving housing construction, demolition, rehabilitation, or other public construction— i.e., roads, sewers, community centers, etc.? *If no, mark "N/A" for the remaining questions within this Section.*	☐Yes ☐No	☐N/A ☐Finding ☐Concern	

Subrecipient :		Monitor:		Date Completed:

4.	**Civil Rights**			
Requirements		**Response**	**Issue Type**	**Comments**
2. Does the Subrecipient have written procedures (i.e., "Section 3 Plan") governing how Section 3 residents are to be notified about employment and training opportunities generated by program participant or its contractors as a result of the expenditure of covered financial assistance? [24CFR 135.32 (a)]		☐Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
3. Does the Subrecipient have written procedures (i.e., "Section 3 Plan") governing how Section 3 **business concerns** are to be notified about contracting (or subcontracting) opportunities generated by the program participant or its contractors involving covered financial assistance? [24 CFR 135.32 (a)]		☐Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
4. Does the Subrecipient have written procedures (i.e., "Section 3 Plan") governing how applicable entities are notified about their requirements pursuant to Section 3? [24 CFR 135.32(b) and 24 CFR 135.32(f)]		☐Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
5. Does the Subrecipient have written procedures (i.e., "Section 3 Plan") governing how compliance with the requirements of Section 3 will be monitored? [24 CFR 135.32(d) and 24 CFR 135.32(f)]		☐Yes ☐ No ☐ N/A	☐ N/A ☐ Finding ☐ Concern	
6. Does the Subrecipient have written procedures (i.e., "Section 3 Plan") describing the steps taken to facilitate meeting the minimum numerical goals for employment and contracting opportunities? [24 CFR 135.32(c)]		☐Yes ☐No ☐N/A	☐ N/A ☐ Finding ☐ Concern	

| Grantee/ Recipient/ Subrecipient : | Monitor: | Date Completed: |

5. File Review – ONSITE ONLY

Requirem	Respons	Issu	Commen
Instructions: Use this Section to indicate the completeness of the files reviewed during the onsite review. Additionally, if a Project Review has recently occurred (or is underway), the Monitor may use the results of the Project Review to draw conclusions regarding the sufficiency of the files.			
1. Are the Subrecipient's General files adequate?	☐ Yes ☐ No	☐ Finding ☐ Concern	
2. Review the Subrecipient's Citizen Participation Files. Are the files adequate?	☐ Yes ☐ No	☐ Finding ☐ Concern	
3. Pull a sample of the Subrecipient's Procurement and Contracting files. Are the files adequate?	☐ Yes ☐ No	☐ Finding ☐ Concern	
4. Pull a sample of the Subrecipient's Management/Personnel files. Are the files adequate?	☐ Yes ☐ No ☐ ☐	☐ Finding ☐ Concern ☐ ☐	
5. Pull a sample of the Subrecipient's monitoring files. Are the files adequate?	☐ Yes ☐ No	☐ Finding ☐ Concern	
6. Pull a sample of the Subrecipient's Acquisition files. Are the files adequate?	☐ Yes ☐ No ☐	☐ Finding ☐ Concern ☐	
7. Pull a sample of the Subrecipient's Relocation files. Are the files adequate?	☐ Yes ☐ No ☐	☐ Finding ☐ Concern ☐	
8. Pull a sample of the Subrecipient's Section 504 files. Are the files adequate?	☐ Yes ☐ No ☐	☐ Finding ☐ Concern ☐	
9. Pull a sample of the Subrecipient's Equal Opportunity files. Are the files adequate?	☐ Yes ☐ No ☐	☐ Finding ☐ Concern ☐	
10. Pull a sample of the Subrecipient's Labor files. Are the files adequate?	☐ Yes ☐ No ☐	☐ Finding ☐ Concern ☐	
11. Pull a sample of the Subrecipient's audit files. Are the	☐ Yes ☐ No	☐ Finding ☐ Concern	
	☐ ☐	☐ ☐	

12. Pull a sample of the Subrecipient's Environmental Review files. Are the files	Yes No	Finding Concern	
13. Pull a sample of the Subrecipient's Close-Out files. Are the files adequate?	Yes No N/A	Finding Concern	
14. Pull a sample of the Subrecipient's National Objective / Eligible Activities	Yes No	Finding Concern	

West Virginia Development Office

EXHIBIT 4
Compliance Monitoring Project Checklist Template

Revised March 1, 2017

TABLE OF CONTENTS

1. MONITORING INSTRUCTIONS

The Monitor should be familiar with the overall monitoring strategy prior to executing this checklist. The Monitor should use this checklist to review each Project. The results of all Project Reviews will be used to determine the adequacy of the Grantee/ Recipient/ Subrecipient's policies and procedures, compliance with program/project requirements, and need for technical assistance.

The following steps should be taken to perform a Project Review:
1. Review the following to obtain an understanding of the program/project grant requirements:
   a. Governing statutes, regulations and official guidance;
   b. Grant Agreements;
   c. Action Plans and Amendments; and,
   d. Waivers.

2. Review the following to obtain an understanding of the project:
   a. Grantee/ Recipient/ Subrecipient's Procurement, Contract Management, Financial Management, and Monitoring Policies and Procedures
   b. Contractor's policies and procedures as it relates to project execution;
   c. Binding Agreement executed between the Grantee/ Recipient/ Subrecipient and the WVDO; and,
   d. Project Application.

3. Complete Monitoring Prep Section
   a. Execute Section 2 of this Checklist, "Monitoring Prep - Preliminary Data Collection"
   b. Collect the required documentation (See Section 3 of this Checklist, "Monitoring Prep – Document Collection")

4. Select contractors/contracts to be reviewed. (Worksheets should be completed for each contractor/contracts selected to review procurement, contract, financial management, and labor documentation.)
   a. Select 50% or a minimum of two contractors/contracts.
   b. If issues are found within the selected sample, broaden the sample to include additional contractors/contracts.

5. Select a sample of invoices per contractor to be reviewed ("invoice sample") to execute Worksheet 2.
   a. Determine the total number of invoices that have been submitted to the Grantee/ Recipient/ Subrecipient from the contractor based on the date of the last review.
   b. Based upon the total number of invoices submitted since the last review, use the Invoice Selection Sampling Methodology to determine number of invoices required to be reviewed per contractor within the sample.
   c. Invoice Selection Sampling Methodology:
      i. Less than 20 invoices have been submitted since the last review, select 3
      ii. If 20 - 49 invoices have been submitted since the last review, select 5
      iii. If 50 - 99 invoices have been submitted since the last review, select 10

6. Execute the remaining applicable Checklist Sections and Worksheets (Worksheets are to be completed for each contractor reviewed.)
   Note: All Sections will not be relevant to each Project Type
   a. Each Section contains a description, detailed instructions, and a list of documents required to complete the Section.
   b. Refer to the applicable section within the WVDO Disaster Recovery CDBG Monitoring Plan and Procedures for additional guidance
   c. Complete all questions as indicated. As applicable, mark "N/A", "Finding", or "Concern" to identify any issues. Provide comments for your responses in the identified areas.

7. Complete the Conclusion Section of the Checklist.

2. MONITORING PREP – PRELIMINARY DATA COLLECTION

11. Grantee/ Recipient/ Subrecipient:

12. Project ID:

Project Type: ☐ Infrastructure ☐ Housing ☐ Econ Dev ☐ Planning

13. Project Description:

14. Project Budget:

    14.1. More than $200,000? ☐ Yes ☐ No

15. Project Risk: ☐ High ☐ Medium ☐ Low

16. Is Construction Involved? ☐ Yes ☐ No

17. Was Property Acquired? ☐ Yes ☐ No

    17.1. Were owner-occupants, tenants, or businesses displaced? ☐ Yes ☐ No

18. National Objective(s) selected

☐ Low to Moderate Income (LMI) Area
☐ LMI Limited Clientele
☐ LMI Housing
☐ LMI Job Creation and Retention
☐ Slum and Blight (S/B) Area

☐ S/B Spot Basis
☐ Urgent Need
☐ None (Planning/Capacity Building/Admin/Technical Assistance Activities)
☐ Planning only grants

19. Eligible Activity(ies) selected:

☐ 105(a)(1) – Acquisition of Real Property
☐ 105(a)(2) – Public Facilities and Improvements and Privately-Owned Utilities
☐ 105(a)(3) – Code Enforcement
☐ 105(a)(4) – Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing)
☐ 105(a)(5) – Architectural Barrier Removal
☐ 105(a)(6) – Loss of Rental Income
☐ 105(a)(7) – Disposition of Real Property
☐ 105(a)(8) – Public Services
☐ 105(a)(9) – Payment of Non-Federal Share
☐ 105(a)(10) – Completion of Federal Urban Renewal Projects
☐ 105(a)(11) – Relocation
☐ 105(a)(12) – Planning and Capacity Building – Community Development
☐ 105(a)(13) – Program Administration Costs
☐ 105(a)(14) – Activities Carried Out through NPSs Acquisition, Construction, Reconstruction, Installation, Rehabilitation, or Planning

☐ 105(a)(15) – Activities Carried Out through Nonprofit Development Organizations – Neighborhood Revitalization, Community Economic Develop, or Energy Conservation
☐ 105(a)(16) – Planning and Capacity Building – Energy Conservation
☐ 105(a)(17) – Economic Development Assistance to For-Profit Business
☐ 105(a)(18): Rehabilitation or Development of Housing
☐ 105(a)(19) – Technical Assistance to Public or Nonprofit Entities
☐ 105(a)(20) – Housing Services
☐ 105(a)(21) – Assistance to Institutions of Higher Education
☐ 105(a)(22) – Microenterprise Assistance
☐ 105(a)(23) – In Rem Housing
☐ 105(a)(24) – Homeownership Assistance
☐ 105(a)(25) – Lead-based Paint Hazard Evaluation and Reduction

Grantee/ Recipient/ Subrecipient: Project ID: Monitor: Date Completed:

2. MONITORING PREP – PRELIMINARY DATA COLLECTION

20. Contractor Summary

Contractor	Contract Start Date	Contract Expiration Date	Contract Value	Brief Description of Scope of Services
20.1.				
20.2.				
20.3.				
20.4.				
20.5.				
20.6.				
20.7.				
20.8.				
20.9.				
20.10.				
20.11.				
20.12.				
20.13.				